

November 15, 2004

Exemption No. 8440  
Regulatory Docket No. FAA-2002-11715

Mr. William V. Buchanan  
Aircraft Operations  
Chevron U.S.A.  
96 Runway Road  
Picayune MS 39466

Dear Mr. Buchanan:

We are pleased to inform you that we have granted your petition to extend Exemption No. 5948. This letter explains the basis for our decision and describes its effect.

**The Basis for our Decision**

This is in response to your November 2, 2004, letter petitioning the Federal Aviation Administration (FAA) on behalf of Chevron, U.S.A. (Chevron), for an extension of Exemption No. 5948. That exemption permits Chevron to operate certain aircraft under part 135 without a TSO-C112 (Mode S) transponder installed on those aircraft. That exemption expired on August 31, 2004, therefore, we will treat your request as a new petition.

The FAA issued a grant of exemption in circumstances similar in all material respects to those presented in your petition. In Grant of Exemption No. 7776 (copy enclosed), the FAA found that although the ground sensors necessary for Mode S transponders are in place, the FAA is reconsidering the comments submitted in response to Notice No. 96-5, and its position on Mode S equipage requirements in relation to the current aviation environment. In May 1996, the FAA proposed to rescind the Mode S transponder requirement for all aircraft operations under part 135 and for certain aircraft operations under part 121 that are not required to have Traffic Alert and Collision Avoidance System (TCAS) II (61 FR 26036). Further, the FAA found that public interest would not be served by compelling certain individuals to purchase and install Mode S transponders.

AFS-05-042

Having reviewed your reasons for requesting an exemption, I find that they do not differ materially from those presented by the petitioner in the enclosed grant of exemption. In addition, I have determined that the reasons stated by the FAA for granting the enclosed exemption also apply to the situation you present.

In consideration of the foregoing, I find that a grant of exemption is in the public interest. Therefore, pursuant to the authority contained in 49 U.S.C. §§ 40113 and 44701, delegated to me by the Administrator, Chevron U.S.A., is granted an exemption from 14 CFR § 135.143(c)(2) to the extent necessary to operate certain aircraft, subject to the conditions and limits described below.

**Conditions and Limits of your Exemption**

1. Any aircraft listed on Chevron's part 135 operations specifications at the date of issuance of this exemption may be operated when equipped with any TSO-C74b transponder or TSO-C74c transponder.
2. Any other aircraft for which installation of a transponder is needed may be operated when equipped with any TSO-C74b transponder or TSO-C74c transponder, provided notice is given to Chevron's principal operations inspector.

This exemption ends on November 30, 2006, unless another exemption supersedes it or we rescind it before then.

Sincerely,

/s/

Anthony F. Fazio  
Director, Office of Rulemaking